

DECISION MEMORANDUM

TO: COMMISSIONER ANDERSON
COMMISSIONER CHATBURN
COMMISSIONER HAMMOND
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: DAYN HARDIE
DEPUTY ATTORNEY GENERAL

DATE: APRIL 28, 2022

SUBJECT: IN THE MATTER OF IDAHO POWER COMPANY'S APPLICATION FOR AUTHORITY TO IMPLEMENT POWER COST ADJUSTMENT RATES FOR ELECTRIC SERVICE FROM JUNE 1, 2022, THROUGH MAY 31, 2023; CASE NO. IPC-E-22-11.

On April 15, 2022, Idaho Power Company ("Company") applied for Commission authorization to implement its Power Cost Adjustment ("PCA") rates effective June 1, 2022, through May 31, 2023. The Company requests its Application be processed by Modified Procedure with an effective date of June 1, 2022. If approved, the Company's PCA would *increase* rates for all customer classes via an overall revenue increase of approximately \$103.4 million, or 8.27 percent.

Percentage Increase from Current Billed Rates

Residential	Small General Service	Large General Service	Large Power	Irrigation	Overall Charge
6.55%	5.24%	9.28%	11.66%	8.46%	8.27%

Application, Attachment 2.

The increase in this year's PCA is attributed to an increase in the forecast component and the Balancing Adjustment. Brady Direct at 6. The forecast component increase is driven by lower-than-expected hydro generation, higher market energy prices, and higher natural gas prices. *Id.* The Balancing Adjustment is approximately \$57.0 million greater than last year's and demonstrates that actual power supply costs for the 2021-2022 PCA year exceeded the forecast power supply costs included in last year's forecast. *Id.*


The Company's Application discussed rate mitigation—a way to spread a large, proposed increase over two or more years—but did not propose such measures. The Company cited previous Commission orders where the Commission declined to use these measures and the possibility of “rate pancaking” as reasons for not proposing the use of rate mitigation tools, but indicated it was open to discussions if the Commission deems it of interest.

STAFF RECOMMENDATION

Due to the short period before the June 1, 2021 proposed effective date, Staff recommends that the Commission issue a Notice of Application and Notice of Modified Procedure, setting a May 16, 2022 public comment deadline and a May 19, 2022 Company reply deadline.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Application and Notice of Modified Procedure, setting a May 16, 2022 public comment deadline and a May 19, 2022 reply comment deadline?



Dayn Hardie
Deputy Attorney General

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